

**TEXAS WATER DEVELOPMENT BOARD—
ISSUANCE OF BONDS****CHAPTER 425¹³****H. B. No. 161**

An Act to carry into effect the provisions of the proposed amendment adding Section 49c to Article III of the State Constitution; defining certain terms; creating the Texas Water Development Board, and prescribing its composition, powers and duties; authorizing the issuance of One Hundred Million Dollars (\$100,000,000) State bonds to create the Texas Water Development Fund; providing the method, manner and mechanics of issuing and paying such bonds; authorizing the Board to issue refunding bonds; requiring the setting aside of certain funds until December 31, 1982, and thereafter for certain purposes; providing for the deposit of certain excess moneys in the General Fund; providing for the investment of moneys set aside to secure such bonds; declaring such State bonds to be legal investments and free from taxation; authorizing the Board until December 31, 1982, to provide financial assistance to certain political subdivisions, public corporations and agencies to construct, acquire, extend or improve certain water conservation projects and prescribing the terms and conditions thereof; authorizing the Board to give financial assistance from the Fund by the purchase of political subdivision bonds, even though such bonds may be secondary to other bonds; limiting the amount of such assistance to each project and political subdivision; authorizing the Board to require that such political subdivision bonds be secured by revenues or taxes or both; providing for safeguards to protect the investment of moneys of the Fund; authorizing the Board to promulgate rules and regulations; providing for the purchase by the Board of supplies through the Board of Control; providing for the hiring of employees and prescribing certain duties; providing for regular and called meetings; appropriating funds to pay the expenses of the Board during the remainder of the biennium and setting employee salary standards; providing a saving clause; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That this Act shall become effective and operate only upon condition that House Joint Resolution No. 3 adopted by the Fifty-fifth Legislature, 1957, and proposed as an amendment adding Section 49c to Article III of the Constitution, shall be adopted; and in that event, the effective date of this Act shall be the date on which the Governor declares such Constitutional Amendment adopted; otherwise, this Act shall be of no force or effect.

Sec. 2. For the purpose of this Act the term:

- (a) "Board" means the Texas Water Development Board.
- (b) "Chairman" means the Chairman of the Texas Water Development Board.
- (c) "Secretary" means the Executive Secretary of the Texas Water Development Board.
- (d) "Water Board" means the Board of Water Engineers or its successor.
- (e) "Political Subdivision" means any political subdivision or body politic and corporate of the State of Texas, and includes any river authority, conservation and reclamation district, water control and improvement district, water improvement district, water control and preservation district, fresh water supply district, irrigation district, and any type of district heretofore or hereafter created or organized or authorized to be created or organized pursuant to the provisions of Article XVI, Section 59 or Article III, Section 52 of the Constitution of the

13. Vernon's Ann.Civ.St. art. 8280-9.

State of Texas; "political subdivision" also means any interstate compact commission to which the State of Texas is a party, municipal corporation or city whether operating under the Home Rule Amendment of the Constitution or under the General Law.

(f) "Project" means any engineering undertaking or work for the purpose of the conservation and development of the surface water resources of the State of Texas, including the control, storing and preservation of its storm and flood waters and the waters of its rivers and streams for all useful and lawful purposes by the acquisition, improvement, extension or construction of dams, reservoirs and other water storage projects, filtration and water treatment plants including any system necessary for the transportation of water from storage to points of distribution, or from storage to filtration and treatment plants, including facilities for transporting water therefrom to wholesale purchasers, or for any one or more of such purposes or methods.

(g) "Weighted average effective interest rate" means that rate which shall be computed by dividing the amount of the net interest cost on all State bonds issued under the provisions of this Act (to be determined by the total value of all coupons thereto attached and deducting all premiums and adding all discounts involved) by the total of the number of years from its date to maturity of each such State bond theretofore issued.

(h) "Bonds," unless the context makes reference to the contrary, shall mean the Texas Water Development Bonds authorized or permitted by the Constitutional Amendment submitted at the election held on November 5, 1957.

Sec. 3. The Texas Water Development Board is hereby created and declared to be a State Agency for performing the governmental functions authorized by this Act and such other duties as the Legislature may prescribe from time to time. The Texas Water Development Board shall consist of six (6) members appointed by the Governor, with the advice and consent of the Senate. Each of the members of the Board shall have at least ten (10) years of successful business or professional experience and shall be selected from the following groups: One (1) from each of the fields of engineering, business, law, and a farmer or rancher, and two (2) with such experience in the field of public or private finance, and each member shall be from a different section of the State. Of the members first appointed, two (2) shall serve for a term of two (2) years, two (2) for terms of four (4) years, and two (2) for terms of six (6) years. Thereafter, each member shall serve for a term of six (6) years and until his successor is appointed and has qualified. In case of the death or resignation of any member, his unexpired term shall be filled by appointment in the same manner. Each of the six (6) members of the Board is hereby declared to be an officer of the State as defined by the Texas Constitution and each shall qualify by taking the official oath of office prescribed by law.

The members of the Texas Water Development Board shall receive a per diem of not more than Twenty-five Dollars (\$25) for each day served in the performance of their duties, together with traveling and other necessary expenses.

The Governor shall designate the Chairman of the Board who shall serve as Chairman at the will of the Governor. At the first meeting of the Board, a Vice-Chairman shall be elected by the Board from its members who shall serve for a term of two (2) years from the effective date of this Act; thereafter, a Vice-Chairman shall be elected every two (2) years by the members of the Board. Vacancies in the office of Vice-Chairman shall be filled by the Board for the remainder of the

unexpired term. The Chairman, or in his absence the Vice-Chairman, shall preside at all meetings of the Board and perform the other duties required by this Act. A majority of the members of the Board shall constitute a quorum to transact business.

Sec. 4. The Board, by appropriate action, is hereby authorized from time to time to provide, by resolution, for the issuance of negotiable bonds in a total aggregate amount not exceeding One Hundred Million Dollars (\$100,000,000) and the Board may, upon two-thirds ($\frac{2}{3}$) vote of the elected members of each House at a subsequent Legislature, be given the power to issue additional negotiable bonds in an amount not to exceed One Hundred Million Dollars (\$100,000,000). All of such bonds shall be on a parity and shall be called the "Texas Water Development Bonds." The proceeds from the sale of any bond, or bonds, shall be used for the purpose of creating the Texas Water Development Fund provided for in the Constitution. No bonds shall be sold until the project to be aided thereby has been finally approved by the Board. At the option of the Board, said bonds may be issued in one (1) or several installments. The Bonds of each issue shall be dated, and shall bear interest at a rate not exceeding four per cent (4%) per annum, which interest may, at the option of the Board, be payable annually or semi-annually; shall mature serially or otherwise not later than forty (40) years from their date; and may be redeemable before maturity, at the option of the Board, at such price or prices, and under such terms and conditions as may be fixed by the Board in the resolution providing for the issuance of the bonds. The Board shall determine the form of the bonds, including the form of any interest coupon to be attached thereto, and shall fix the denomination or denominations of said bonds and the place or places of the payment of the principal and interest thereon. Said bonds shall be executed on behalf of the Texas Water Development Board as general obligations of the State of Texas in the following manner: They shall be signed by the Chairman and Secretary respectively of the Board, and the seal of the Board shall be impressed thereon, and they shall be signed by the Governor and attested by the Secretary of State of the State of Texas with the Seal of the State of Texas impressed thereon. The resolution authorizing the issuance of any installment or series of bonds may prescribe the extent to which facsimile signatures and facsimile seals in lieu of manual signatures and manually impressed seals may be used in executing such bonds and appurtenant coupons. Interest coupons may be signed by the facsimile signatures of the Chairman and Secretary of the Board. In the event any officer whose manual or facsimile signature appears on any bond, or whose facsimile signature shall appear on any coupon, shall cease to be such officer before the delivery of the bonds, the signature shall, nevertheless, be valid and sufficient for all purposes the same as if he had remained in office until such delivery had been made. The resolution may provide for registration of the bonds as to ownership and for successive conversion and reconversion from registered to bearer bonds and vice versa. Before any such bonds so issued are delivered to the purchasers, the record pertaining thereto shall have been examined by the Attorney General of Texas and said records and bonds shall be approved by him. After such approval, the bonds shall be registered in the office of the Comptroller of Public Accounts of Texas. Such bonds having been approved by the Attorney General and registered in the Comptroller's office shall be held, in every action, suit or proceeding in which their validity is or may be brought into question, valid and binding obligations of the State of Texas. In every action brought to enforce collection of such bonds or any rights incident thereto, the certificate of approval by the Attorney General and a certifi-

cate of registration by the Comptroller, or duly certified copies thereof, shall be admitted and received in evidence as proof of their validity. All bonds issued in accordance with and under the provisions of this Act shall be, and are hereby declared to be negotiable instruments under the laws of this State. The Board is fully authorized to provide for the replacement of any bond which might have become mutilated, lost or destroyed.

Sec. 5. The Board is hereby authorized to provide by resolution for the issue of refunding bonds for the purposes of refunding any bonds issued under the provisions of this Act and then outstanding, together with accrued interest thereon. The issuance of such refunding bonds, the maturities and all other details thereof, the rights of the holders thereof, and the duties of the Board in respect to the same, shall be governed by the foregoing provisions of this Act in so far as the same may be applicable. The refunding bonds may be sold and the proceeds used to retire the outstanding bonds or may be used in exchange for the outstanding bonds.

Sec. 6. All State bonds hereafter issued pursuant to the provisions of this Act shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians, and for the sinking funds of cities, towns, villages, counties, school districts, and all other political subdivisions and public agencies of the State of Texas. Such State bonds, when accompanied by all unmatured coupons appurtenant thereto, shall be lawful and sufficient security for all deposits of State funds, and of all funds of any agency or political subdivision of the State, of counties, school districts, cities and all other municipal corporations or subdivisions at the par value of said bonds. Such State bonds and the income therefrom, including the profits made on the sale thereof, shall at all times be free from taxation within this State.

Sec. 7. When the Board shall have authorized the issuance of a series of said bonds and shall have determined to call for bids therefor, it shall be the duty of the Board to publish at least one (1) time not less than twenty (20) days before the date of said sale an appropriate notice thereof. Such publication shall be made in a daily newspaper of general state-wide circulation which is published not less than seven (7) times weekly. Said notice shall also be published for such number of times as the Board may determine in one or more recognized financial publications of general circulation published within the State and one or more such publications published outside the State. The Board shall demand of bidders, other than the administrators of the State funds, that their bids be accompanied by exchange or bank cashier's check for such sum as it may consider adequate to be a forfeit guaranteeing the acceptance and payment for all bonds covered by such bids, and accepted by the Board.

Sec. 8. No installment or series of said bonds shall be sold for an amount less than the face value of all of the bonds comprising such installment or series with accrued interest from their date, and all of such bonds shall be sold after competitive bidding to the highest and best bidder. The Board shall have the right to reject any and all bids.

Sec. 9. All moneys coming into the hands of the Texas Water Development Board shall be deposited in the State Treasury. For the purposes of administering such moneys, there are hereby created the following special funds:

(a) The "Texas Water Development Clearance Fund," hereinafter called "Clearance Fund," into which shall be deposited all moneys re-

ceived by the Board except proceeds from the sale of Texas Water Development Bonds and except proceeds from the resale of bonds purchased from political subdivisions, and from which fund transfers shall be made as hereinafter set out.

(b) The "Texas Water Development Fund," hereinafter called "Development Fund," shall be a revolving fund into which there shall be deposited the proceeds derived from the sale of the Texas Water Development Bonds, and such other moneys as provided in this Act, and which fund shall be used upon the terms and conditions set out in this Act for the purpose of aiding and making funds available to the various political subdivisions for projects and purposes authorized under this Act, and upon the terms and conditions hereinafter set out.

(c) The "Texas Water Development Bonds Interest and Sinking Fund," hereinafter called "Interest and Sinking Fund," shall be a special fund into which there shall be accumulated and set aside from the sources hereinafter specified, an amount sufficient to pay all interest becoming due during the ensuing fiscal year on all the Water Development Bonds outstanding, and to pay all such bonds which mature during such fiscal year and collection charges and exchanges thereon, and to establish a reserve equal to the average annual principal and interest requirements on all outstanding Bonds issued under this Act.

(d) The "Texas Water Development Board Administrative Fund," hereinafter called "Administrative Fund," shall be the special fund into which there shall be transferred, from sources specified in this Act, sufficient moneys with which to pay the administrative expenses of the Board as authorized by appropriations of the Legislature to the Texas Water Development Board for administrative purposes.

Sec. 10-A. All proceeds from the sale of the Water Development Bonds shall be deposited to the account of the Development Fund except accrued interest which shall be deposited in the Interest and Sinking Fund.

Sec. 10-B. With the exception of proceeds from the sale of Texas Water Development Bonds and proceeds from the sale of bonds of political subdivisions sold in accordance with the provisions of Section 15 hereof, all moneys received by the Board in any fiscal year, including all amounts received as repayment of financial assistance granted under this Act and interest on such loans, shall be paid into and accumulated in the Clearance Fund. Not later than fifteen (15) days following the end of each fiscal year, the funds standing to the credit of the Clearance Fund shall be transferred to the other special funds created by this Act in the following manner:

(a) There shall be determined the amount of interest becoming due on all Water Development Bonds then outstanding, together with the amount of principal of such bonds maturing and becoming payable during such ensuing fiscal year, and there shall also be determined the average annual principal and interest requirements on all outstanding bonds issued under this Act. There shall be transferred to the Interest and Sinking Fund, after taking into account any moneys already on deposit therein, such amount as may be necessary to pay all such principal and interest maturing on such bonds during the ensuing fiscal year, together with all collection charges and exchanges thereon plus an amount sufficient to establish and maintain an additional reserve equal to the average annual principal and interest requirements on all outstanding Bonds issued under this Act. In the event the amount transferable from the Clearance Fund at the end of any fiscal year and the moneys on hand in the Interest and Sinking Fund is insufficient to pay the interest becoming due and the principal maturing on the Water Development Bonds during the

ensuing fiscal year, then after the transfer to the Interest and Sinking Fund of so much as is available in the Clearance Fund, the State Treasurer shall transfer out of the first moneys coming into the Treasury of the State of Texas, not otherwise appropriated by the Constitution, such amount as shall be required to pay principal and interest on such Water Development Bonds during such fiscal year.

(b) If, after making the transfers provided in paragraph (a) in this Section, there remain other moneys in the Clearance Fund, then to the extent possible there shall be transferred from such fund to the Administrative Fund an amount sufficient to cover the appropriation for administrative appropriations of said Board, as authorized by the Legislature, for the ensuing fiscal year.

(c) If, after making the transfers provided for in paragraphs (a) and (b) in this Section, there remain other moneys in the Clearance Fund, the balance of such fund shall be transferred at the end of each fiscal year occurring before December 31, 1982, to the Development Fund, and such moneys so transferred may be used for all of the purposes for which the proceeds of the Water Development Bonds were authorized to be used.

(d) Any funds remaining in the Development Fund on December 31, 1982, shall be transferred to the Interest and Sinking Fund.

(e) After December 31, 1982, after making the transfers provided for in paragraphs (a) and (b) of this Section, any balance remaining in the Clearance Fund shall be transferred annually at the end of each fiscal year to the Interest and Sinking Fund until such time as there are on deposit in such Interest and Sinking Fund sufficient moneys to pay all bonds then remaining outstanding with interest to maturities; and when such amount shall be accumulated in the Interest and Sinking Fund, all amounts collected into the Clearance Fund in excess of the amounts needed to cover authorized administrative expenses shall annually be transferred and deposited into the General Revenue Fund of the State of Texas.

Sec. 10-C. The Comptroller of Public Accounts is hereby authorized and directed to make the transfers required under any provision of this Act. The Treasurer of the State of Texas is hereby authorized and directed to pay or cause to be paid principal and interest on Bonds as they mature and come due.

Sec. 10-D. All moneys standing to the credit of the Interest and Sinking Fund which may not be needed to pay obligations maturing during the current fiscal year may be invested by the Board in bonds of the United States, or the State of Texas (or of the several counties or municipalities or other political subdivisions of the State of Texas, except bonds issued by any such political subdivision to finance the projects as herein defined); and such Board may sell such bonds, or any of them at the governing market rate; provided, however, to the extent that the resolution or resolutions authorizing the issuance of bonds hereunder further restrict the investment of such moneys in bonds of the United States, such restrictions shall be binding on the Board. Surplus moneys in the Development Fund which may not be needed for at least ninety (90) days may be invested in direct obligations of the United States of America maturing on or prior to the contemplated date on which said funds will be needed.

Sec. 11. Until December 31, 1982, the Texas Water Development Fund shall be used by the Board hereof for the purpose of providing financial assistance and aid to the various political subdivisions as defined in Section 2 hereof, in the conservation and development of the water resources of the State of Texas by the construction, acquisition or improvement of projects, as defined in Section 2 hereof.

Sec. 12. No application for financial assistance shall be granted until the political subdivision shall have furnished to the Board a resolution adopted by the Board of Water Engineers certifying:

(a) The feasibility of the project based on preliminary investigation and studies, including the estimated cost of construction, operation and maintenance, and the quantity and quality of water;

(b) That there is an existing need or bona fide future need within a reasonable time, or both, for the water to be provided by the project;

(c) That the applicant is possessed of the necessary permit, or certified filing, authorizing it to impound, or otherwise appropriate and use, the waters to be made available by the project; and

(d) That if a dam is to be constructed or enlarged, the project contemplates the optimum development of the site of the project which is reasonably required under all existing circumstances.

Sec. 13. The application for financial assistance from the Texas Water Development Board shall contain the name of the political subdivision, its principal officers, the authority of law under which the political subdivision was created and operates, the total costs of the project, the amount of State financial assistance requested, the plan for repayment of the total costs of the project and such other information as the Board may require to aid in the performance of its duties and for the protection of the public interest.

Sec. 14. In passing upon such applications, the Board shall consider the needs of and the benefits to the area to be served by the project in relation to the needs and benefits appertaining to other projects requiring State assistance as well as the availability of revenues from all sources of the political subdivision for the ultimate repayment of the costs of such project, including interest, and whether the project can be financed without assistance of the State.

If after consideration of the foregoing, and the consideration of any other relevant factors, the Board finds that the public interest requires State participation in the project, that the project cannot be financed without State assistance, and if the Board makes the further finding that in its opinion the revenues or taxes or both pledged by the political subdivision will be sufficient to meet all of the obligations assumed by the political subdivision within not more than forty (40) years, the Board may approve the project within the limits set forth herein.

Application for financial assistance shall be in such form as prescribed herein and by regulations of the Board and shall not be accepted by the Board unless submitted in affidavit form by the officials of the political subdivision as prescribed by the regulations of the Board. Nothing in such regulations shall restrict or prohibit the Board from requiring additional factual material of any applicant.

Sec. 15. After the Board has examined an application of a political subdivision for financial assistance from the Fund and determined by resolution that same should be approved, the Board may give financial assistance to the political subdivision by the purchase with moneys out of the Texas Water Development Fund of bonds or other securities issued by the political subdivision for the purpose of providing funds to finance a project. The Board is hereby empowered to purchase such political subdivision bonds or other securities even though such bonds or other securities be secondary, or subordinate to other bonds or other securities issued by the political subdivision to finance the same project for which assistance from the Fund is sought. The Board shall never purchase bonds or other securities which have a maturity date in excess of forty (40) years from date of issuance. The Board shall never purchase bonds or other securities of a political subdivision in excess of one-third ($\frac{1}{3}$) of the total

costs of a project for which assistance from the Fund is sought nor in excess of Five Million Dollars (\$5,000,000), whichever is the lesser for any one (1) project. The Board shall never purchase from any single political subdivision bonds or other securities of such political subdivision in excess of Five Million Dollars (\$5,000,000). Such bonds and other securities purchased from moneys in the Fund by the Board shall bear whichever of the following rates of interest is greater: (a) the weighted average effective interest rate on all State Bonds theretofore sold under the provisions of this Act plus one-half ($\frac{1}{2}$) of one per cent (1%); or (b) the effective interest rate of the bonds sold by the issuing agency for the purpose of providing the remaining funds which are required for the project. The Bonds shall bear coupons evidencing interest at such a rate or a combination of rates as shall approximate the effective rate as nearly as the Board shall deem practicable, and the effective rate shall be arrived at by the payment of premiums or the deduction of discounts as necessary. Before purchasing any bonds or other securities of a political subdivision, the Board shall be assured that such bonds or other securities have been approved by the Attorney General and registered by the Comptroller of Public Accounts and after such approval and registration and sale at not less than par and accrued interest, said bonds shall be valid, binding and incontestable. The Board is fully empowered and authorized to sell or dispose of political subdivision bonds purchased with moneys out of the Fund, provided that such bonds are sold at not less than par and accrued interest. The proceeds from such sale shall be deposited to the credit of the Fund and used in the same manner as other funds deposited therein, except accrued interest shall be deposited in the Interest and Sinking Fund. Should the Board determine to sell such political subdivision bonds, competitive bids therefor shall be received and notice of such sale shall be given and the sale conducted in the same manner as in the case of a sale of the State bonds authorized by this Act; provided, however, that the Board shall first have offered said bonds at their par value plus accrued interest to the issuing political subdivision at least thirty (30) days prior to the date of requesting competitive bids; and provided such political subdivision shall have failed within such thirty-day period to give notice to said Board of its desire to acquire such bonds at par and accrued interest.

Sec. 16. Unless wholly supported by political subdivision taxes, any bonds or other securities of a political subdivision which may be purchased by the Board in accordance with the terms of this Act shall be secured by a pledge of all or part of the net revenues which result from the ownership and operation of the project of the political subdivision; the term "net revenues" as used in this Section shall mean the gross revenues of the project after deduction of the amount necessary to provide for principal, interest and reserve requirements of bonds superior to those purchased by the Board and the amount necessary to pay the cost of maintaining and operating the project of the political subdivision and the project properties. In the event of a default in the payment of principal or interest on bonds purchased by the Board, or should any other default as defined in the proceedings or indentures authorizing the issuance of the bonds of such political subdivision occur, the Attorney General of Texas shall thereupon institute appropriate proceedings by mandamus and all other legal remedies to compel the subdivision and/or its officers, agents and employees to perform those duties which they are obligated to perform under the law and under such proceedings or covenants, in order to cure such default. Venue in all actions by the Attorney General to enforce all rights, obligations and covenants in and under said bonds purchased by the Board shall lie in the District Courts of Travis County,

Texas. The provisions of this Section shall be cumulative of all other remedies available by virtue of the resolution authorizing the issuance of or the terms of any trust agreement securing any such bonds or other securities.

Sec. 17. The bonds of a political subdivision which the Board is authorized to purchase with moneys out of the Fund may be financed with income derived from revenues that accrue from operation of the project, may be supported by taxes levied by the political subdivision for that purpose, or may be supported by a combination of taxes and revenue and any other revenue available to the political subdivision. The Board, in its discretion and for the protection of the Texas Water Development Fund, may require as a condition precedent to purchasing any bonds of a political subdivision issued to finance a project, that the bonds be supported by both income derived from revenue as well as moneys collected from taxes, in such a ratio as to assure the Texas Water Development Board that the investment of moneys out of the Fund will be fully secured and protected. The Board shall make such other requirements and impose such other conditions for the purchase of bonds or other securities of a political subdivision as in the opinion of the Board may be commensurate with sound investment practices and in the public interest.

Sec. 18. The governing body of every political subdivision receiving State financial assistance from the Texas Water Development Fund shall, in all contracts for the construction of a project, require that the contract shall be paid for in partial payments as the work progresses and such payments shall not exceed ninety per cent (90%) of the amount due at the time of such payment as shown by the engineer of the project. Such contract shall also require that upon completion of said contract, the remaining ten per cent (10%) due thereunder may be paid only after approval by the engineer for the political subdivision as may be required under the bond proceedings and in addition upon obtaining from the Board of Water Engineers a certificate that the work to be done under the contract has been completed and performed in a satisfactory manner and in accordance with sound engineering principles and practices. The Board of Water Engineers shall have the privilege of inspecting the construction of any project at any time to assure itself that the engineering plans of a project, as submitted when approval of the feasibility of the project was sought, are being substantially complied with and that the works are being constructed in accordance with sound engineering principles, but such inspection shall never subject the State of Texas to any action for damages. No substantial or material alteration in the engineering plans of a project shall be made after approval of eligibility unless and until authorization to make such alteration has been given by the Board of Water Engineers. Failure to construct the project according to the plans as approved by or altered with approval of the Board of Water Engineers, failure to construct the works in accordance with sound engineering principles, or failure to comply with any term or terms of a construction contract, may be considered by the Board of Water Engineers as grounds for refusal to give a certificate of approval for any construction contract. A certified copy of every construction contract entered into and executed by the political subdivision for the construction of the project in whole or in part shall be filed in the office of the Board of Water Engineers. All such contracts shall contain or have attached thereto the specifications for all work included in the contract and the plans and details thereof and all such work shall be done in accordance with plans and specifications.

Sec. 19. The Board shall promulgate rules and regulations governing the form and contents of applications for financial assistance for the guidance of applicant political subdivisions (reserving the right to make

additional requirements as hereinabove provided) and may make such other provisions as may be deemed necessary or advisable. Such rules and regulations and amendments thereto shall be approved by the Attorney General of Texas and filed with the Secretary of State.

Sec. 20. The Board is hereby authorized to purchase through the State Board of Control any and all supplies including, but not by way of limitation, stationery, stamps, printing, record books, and such other things as may be needed at State expense, in order to carry on its functions as a State agency in the performance of the duties herein imposed upon it.

Sec. 21. The Board shall meet once each month on a day and at a place selected by it, and continue with each meeting until its docket is cleared, subject to recesses at the discretion of the Board. The Chairman of the Board may call a special meeting of same at any time he thinks necessary, by giving the other members notice thereof. The Board shall select an executive secretary who shall perform all duties required by this Act and by said Board. The Executive Secretary shall execute a bond in a sum to be determined by the Board, approved by the Board, and payable to it. Said bond shall be conditioned upon the faithful performance by the Secretary of his duties under the law, and for the delivery to his successor or other employee designated by the Board to receive the same, all moneys, books and other property belonging to the State then in his hands or under his control, or with which he may be legally chargeable as Secretary of the Board. The premium on such bond shall be paid out of money available to the Board for administrative expenses. The Executive Secretary shall keep full and accurate minutes of all meetings of the Board and complete records of all its proceedings and transactions and of every resolution and decision made by it. The Secretary shall be custodian of all files and records of the Board. The Board shall procure and adopt a seal bearing the words "Texas Water Development Board" encircled by the oak and olive branches common to other official seals. The Board is authorized to rent office space and to employ such legal and financial experts, and such employees as may be necessary for the discharge of the duties herein prescribed and required of the Board. It is expressly provided, however, that all engineering services required by the Board in connection with a project under this Act shall be performed by the Board of Water Engineers. The Employees of the Board shall be deemed to be State employees, and all civil and criminal laws regulating the conduct and relations of other State employees shall apply in all things to the employees of the Board. All papers, records and archives of the Board shall be placed in a depository selected by the Board and shall be open to public inspection at all reasonable times.

Sec. 22. To pay the expense of administering the provisions of this Act, there is hereby appropriated for the use of the Board the sum of One Hundred and Forty-eight Thousand Dollars (\$148,000) for the remainder of the biennium, it is expressly provided, however, that this appropriation shall lapse should this Act not become operative as specified in Section 1 hereof. The Board, upon their first meeting following the effective date of this Act shall prepare and file a budget with the Comptroller of Public Accounts, and may amend that budget from time to time provided the following limitations shall be observed:

	1957-58	1958-59
Salaries, Wages, Per Diem	\$50,000	\$48,000
Travel Expenses of Employees and Board Members		and unexpended balance of previous year
Postage, telephone, telegraph		
Office rental and supplies, equipment, office furnishings and machines and contingent expenses	\$50,000	Unexpended balance of previous year
Professional Services, Fees, expenses and their travel expenses, and temporary personnel		

All employees of the Board shall be paid compensation until the effective date of the next general Departmental Appropriation Act at a rate comparable with the rate being paid by the State to other State employees doing the same or similar type of work. All such employees shall be paid their compensation and perform their duties with the same rules, requirements and regulations of the general law governing the State employees in such respects. After September 1, 1959, employees of the Board shall receive such wages and salaries as may be authorized by the Legislature in Departmental Appropriation Acts. It is provided, however, that no inter-agency contract shall be made between the Board and the Water Board, it being the intent of the Legislature that the services required of the Water Board shall be performed within available appropriations.

Sec. 23. If any Section, provision or part whatsoever of this Act should be held to be void as in violation of the Constitution, it shall not affect the validity of the remaining portions thereof, and it is hereby declared to be the legislative intent that this Act would have been passed as to the remaining portions thereof, regardless of the invalidity of any part.

Sec. 24. The pressing public demand for State assistance to finance water conservation projects, the necessity of preserving, utilizing and conserving the State's most valuable natural resource in the greatest practicable manner, and the importance of this legislation to the people of the State of Texas create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and the Rule is hereby suspended, and this Act shall be in effect from and after its passage, and it is so enacted.

Passed the House, February 18, 1957, by a viva-voce vote; House refused to concur in Senate amendments, March 18, 1957, requested appointment of Conference Committee to consider differences between the two Houses; House adopted Conference Committee Report, May 21, 1957, by a viva-voce vote; passed subject to Article III, Section 49a, of the Constitution of the State of Texas; passed the Senate, with amendments, March 13, 1957, by a viva-voce vote; at request of House, Senate appointed a Conference Committee to consider differences between the two Houses; Senate adopted Conference Committee Report, May 21, 1957, by a viva-voce vote; passed subject to Article III, Section 49a, of the Constitution of the State of Texas.

Approved June 6, 1957.

Effective 90 days after May 23, 1957, date of adjournment.